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THE HONOLULU ADVERTISER

Thursday, September 27, 1984
(Page A-3)

don chapman

COFFEE AND DOTS: A Statehood Award goes to Yale U., which ought to know better. The Rev. **Kenneth Perkins** received a note from the Yale Alumni Magazine for a subscription renewal, complete with a note that "foreign postage" costs $3 and that as a foreign subscriber he must "pay in U.S. dllars" . . . Best quote we've heard in a while comes from attorney **Melvin Belli** in an eight-page letter to federal Judge **Martin Pence** regarding the 100-count indictment against **Ron Rewald.** Of the charge that Rewald used $270,000 of investors' funds to pay "women who engaged in social and sexual intercourse with defendant Rewald," Belli says: "If the matter were not so aggravated and serious, I'd be prompted to say that the defendant Rewald is one of the horniest Americans since **Benjamin Franklin** or President **Harding**, or that one of the six semantically salacious scrivening U.S. attorneys, and Mr. Casey (CIA dir. **William Casey**), were either carried away in their draftsmanship or erroneously envious" □ □ □

Belli

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WASHINGTON POST

Now Here's The News

The CIA yesterday sharply denied an allegation carried by "ABC World News Tonight" that the spy agency engaged in a plot to kill Honolulu investment counselor Ronald Rewald, who claims his failed company was a CIA front. . .

In a rare public statement, the CIA declared that "the allegations are totally false . . . as ABC knows, the CIA along with the rest of the U.S. government is prohibited by law from engaging in or contemplating assassination". . .

The CIA asked that ABC News retract its reports on the Rewald case that were broadcast Sept. 19 and 20. Rewald is facing charges that he defrauded investors of millions of dollars in his investment counseling firm. . .

ABC News spokesman Joanna Bistany said, "We stand by our story". . .

She added that ABC News "never accused the CIA of attempting an assassination," but only reported what was alleged by Rewald and Scott Barnes, who is described by ABC News as having an "extensive intelligence background". . .

In its Sept. 20 report, ABC quoted Barnes as saying he took a job as a guard in the Honolulu jail where Rewald is being held on fraud charges. . .

Barnes said he was told by his CIA contact that "we've got to take him [Rewald] out . . . you know, kill him," an assignment Barnes said he refused. ABC News did not identify Barnes' alleged CIA contact. . .

The CIA said yesterday that Barnes was inventing the story. . .

CBS News

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LEVEL 1 - 2 OF 2 STORIES

Proprietary to the United Press International 1984

September 20, 1984, Thursday, PM cycle

SECTION: Washington News

LENGTH: 477 words

DATELINE: WASHINGTON

KEYWORD: Rewald

BODY:

A now-bankrupt firm owned by Ronald Rewald was used by the Central Intelligence Agency to conduct intelligence operations and make secret shipments of weapons to foreign countries, ABC News reported.

ABC said Wednesday night that it learned the agency was heavily involved in the firm of Bishop, Baldwin, Rewald, Dillingham & Wong and used it for a number of operations, one of which violated an international treaty.

Proprietary to the United Press International, September 20, 1984

Rewald, who has been jailed on charges of swindling 400 investors out of $72 million, has repeatedly said he was a CIA agent and his firm was an agency front.

The CIA has admitted a ''slight involvement'' with the company but refuses to say whether Rewald was an agent. ABC said, however, the CIA has admitted to the House oversight and investigation subcommittee Rewald was an agent with a signed secrecy agreement.

Thomas Hayes, appointed by the court as the company's bankruptcy trustee, confirms Bishop, Baldwin was used as a commercial cover operation by the CIA. ''But that doesn't justify stealing $72 million of someone's money,'' he said.

Rewald, who faces 100 counts of fraud, tax evasion and perjury, denied the money was gone at all. He told ABC it was merely transferred to different banks under other names, the report said.

Bishop, Baldwin consultant Robert Jinks, who also said he was a CIA agent, told the network he has seen documentation of undercover operations being carried on by the company.

Proprietary to the United Press International, September 20, 1984

Jinks said he and Rewald went to Hong Kong on a clandestine mission to spread scare stories about the financial impact of China taking over the colony when Britain's lease runs out in 1997.

''We were doing our part, just like everyone else was, to keep that money flowing towards the United States as opposed to Europe or some other country,'' Rewald said.

ABC also said its six-month investigation disclosed Bishop, Baldwin was involved in arranging secret arms shipments to countries such as Syria, India and Taiwan.

Russell Wim, another agent according to the network, said in a sworn statement the Taiwan shipment included such items as laser-sighting devices for M-16 rifles, armored personnel carriers and M-60 tanks.

The multimillion-dollar deal enabled the CIA to circumvent the United States' agreement with Mainland China not to supply certain offensive weapons to Taiwan, ABC said.

Among the 400 investors of the firm were Gen. Arnold Braswell, Pacific Air Force commander, and two former CIA station chiefs in Honolulu.

Proprietary to the United Press International, September 20, 1984

Although both the Securities and Exchange Commission and IRS have filed charges against Rewald, ABC said an earlier confidential SEC report it has obtained showed the commission found no violations in the firm's investment activities.

Evidence from several sources confirmed the CIA was able to stop an initial IRS investigation, the network said.

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LEV - 1 OF 2 STORIES

Proprietary to the United Press International 1984

September 21, 1984, Friday, PM cycle

SECTION: Domestic News

LENGTH: 477 words

DATELINE: HONOLULU

KEYWORD: Rewald

BODY:
The CIA planned to kill a former Honolulu investment counselor whose company provided cover for some of the agency's most sensitive and potentially embarrassing operations, ABC News reported.

ABC reported Thursday that the investment firm of Bishop, Baldwin, Rewald, Dillingham and Wong was involved in secret arms sales to Taiwan, Syria and India for the CIA and promoted financial panic in Hong Kong to encourage the flow of money to the United States.

Proprietary to the United Press International, September 21, 1984

The defunct firm was headed by Ronald Rewald, 41, who faces 100 federal counts for allegedly bilking 400 investors out of $77 million. He has maintained he was a covert agent for the CIA. ABC said it has evidence to support the claim.

Rewald told ABC News he initially was skeptical of reports the CIA was trying to kill him.

''At first I didn't believe it,'' Rewald said. ''I thought it was total nonsense. It took a lot of convincing, a lot of evidence and a lot of the facts to be checked out before I recognized that it was, in fact, what was going on.''

Scott Barnes, who ABC said has an extensive intelligence background, got a job in November for one month in the Honolulu prison where Rewald was being held, ABC reported.

Barnes told ABC the CIA put him into the prison to find out who Rewald was talking to and what he was saying. Barnes said he also was to check on Rewald's mental and emotional status.

Barnes told ABC he met with his CIA contact later at a Waikiki hotel and the contact told him Rewald had to be killed.

Proprietary to the United Press International, September 21, 1984

''He was a company problem,'' Barnes said. ''He no longer was an asset but a liability.''

Barnes told ABC he quit the assignment and left Hawaii.

ABC reported lawyer Brent Carruth, involved in another CIA-related case, said the story did not surprise him.

Carruth represents Richard Craig Smith, a Washington state man accused of selling the names of six U.S. intelligence agents to the Soviet Union for $11,000.

''I was told in no uncertain terms that they would take any steps that were necessary to protect a particular agent and that they were going to cover people,'' he said. ''Once that was done, then they were going to go after Ron Rewald, not before.''

ABC said the CIA denied it tried to kill Rewald and would not say whether it tried to buy off investors. Many investors have filed lawsuits against the CIA hoping to recoup the money they lost in the Rewald firm.

Proprietary to the United Press International, September 21, 1984

Investor Ted Frigard, who lost $787,000, told ABC the government offered to give him $350,000 in unregistered municipal bonds if he would drop his lawsuit.

''Then as we got up to leave, the man said, 'You know, if you become too much of a pain in the ... they will shoot you through the heart,''' Frigard said.

Frigard told ABC News the government never came up with the money and he is continuing his lawsuit.

The report was the result of a six-month investigation by ABC.

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